REMARKS

Claims 1, 4-20 and 22-42 are currently pending in the subject application and are presently under consideration.

Favorable reconsideration of the subject patent application is respectfully requested in view of the comments and amendments herein.

I. Rejection of Claims 1, 2, 5-6, 8, 11, 13, 34-47, 40, and 41 Under 35 U.S.C. §103(a)

Claims 1, 2, 5-6, 8, 11, 13, 34-47, 40, and 41 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren, *et al.* (US 2003/0041002, hereinafter referred to as "Irribarren") in view of Eso, *et al.* (US 20030028473, hereinafter referred to as "Eso"). Withdrawal of this rejection is respectfully requested for at least the following reasons. Both Irribarren and Eso are non-analogous art, and therefore not proper references. In addition, the combination of Irribarren with Eso in the manner suggested by the Examiner lacks proper motivation to combine and further does not yield a reasonable expectation success. Still further, the combination would be inoperable.

Accordingly, for at least the reasons provided in the Reply to Final Office Action (received November 13, 2006), the Examiner has failed to establish adequate grounds for *prima facie* obviousness, and applicant's representative thus believes the subject claims are allowable over the cited references. At page 3 of the Advisory Action (dated November 28, 2006), the Examiner argues that Irribarren and Eso both pertain to electronic auctions and both pertain to satisfying demand needs. However, it is readily apparent that such as characterization is in err. In particular, Irribarren is not directed to satisfying ***demand*** in an electronic auction as the Examiner suggests, but rather Irribarren is directed to satisfying ***unmet demand***. This evident distinction permeates the disclosure and expressly exists in the passages cited by the Examiner (*e.g.*, Irribarren paragraphs 0002, 0011). With respect to Eso, the disclosure is also not directed to satisfying demand, but rather selecting economically optimal solutions. (See Eso paragraph 0007). Moreover, Irribarren is expressly aimed at auctions where each vendor offers one or more products of a single product type (*see* Irribarren paragraph 0054) whereas Eso assumes each vendor offers many (heterogeneous) product types. Accordingly, these two references are both inherently and expressly incongruous and cannot thus serve as predicates for a *prima facie* case of obviousness.

> ***If references taken in combination would produce a "seemingly inoperative device," we have held that such references teach away from the combination and thus cannot serve as predicates for a prima facie case of obviousness.*** *In re Sponnoble,* 405 F.2d 578, 587, 160 USPQ 237, 244, 56 C.C.P.A. 823 (1969) (references teach away from combination if combination produces seemingly inoperative device); *see also In re Gordon,* 733 F.2d 900, 902, 221 USPQ 1125, 1127 (Fed. Cir. 1984) (inoperable modification teaches away). *McGinley v. Franklin Sports Inc.*, 262 F.3d 1339, 60 USPQ2d 1001, 1010 (Fed. Cir. 2001) (emphasis added).

To summarize: 1) Eso applies the decision problem only when demand is already met to find an optimal solution from among the winning bids, whereas Irribarren generates a new bidding cycle only when there are no winning bids and thus demand is unmet; and 2) Eso is directed to bid/offers for heterogeneous product types whereas Irribarren simply does not contemplate such a situation, and discloses that bid/offers are applicable for a single product type. The application of the teachings of these references is mutually exclusive. Accordingly, the references create an inoperable combination, which is a *per se* demonstration of lack of prima facie obviousness. *In re Dow Chemical Co.*, 837 F.2d 469, 5 USPQ2d 1529 (Fed. Cir. 1988). Hence, this rejection of independent claims 1 and 8, as well as all claims that depend there from, should be withdrawn.

II. Rejection of Claims 4 and 9 Under 35 U.S.C. §103(a)

Claims 4 and 9 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso, and in further view of Abeshouse, *et al.* (US 2002/0099643, hereinafter referred to as "Abeshouse"). Withdrawal of this rejection is respectfully requested for at least the following reasons. Abeshouse does not cure the deficiencies associated with the proposed combination of Irribarren and Eso. Moreover, there is no motivation to combine or a reasonable expectation of success for the combination of Abeshouse and Irribarren.

In particular, Abeshouse is directed to providing market opacity in order to protect the identity of the bidding parties and their bids and/or to promote *bone fide* bids in order to gain access to this information. (*See* Abeshouse, paragraphs 0074-0076). In essence, Abeshouse

expressly promotes anonymity whereas Irribarren rests upon the principles of emulating face-to-face negotiations. (*See* Irribarren, paragraph 0051). In addition, Irribarren is directed to meeting unmet demand when an auction fails, but when price points are close, whereas Abeshouse does not contemplate auctions failing at all, much less by small margins. In fact, by automatically creating a new bidding cycle, Irribarren creates less of an incentive to bid aggressively, whereas Abeshouse is expressly founded on the notion of creating an incentive to bid aggressively. Accordingly, when presented with one of Abeshouse or Irribarren, one of ordinary skill in the art would not be motivated to look to the other in order to combine the references. Hence, this rejection should be withdrawn.

III. Rejection of Claim 7 Under 35 U.S.C. §103(a)

Claim 7 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Muftic (US 5,850,442). Withdrawal of this rejection is respectfully requested for at least the following reasons. Muftic does not remedy the deficiencies with respect to the proposed combination of Irribarren and Eso as applied to independent claim 1.

In particular, claim 7 depends from independent claim 1, which is believed to be allowable. Muftic, which relates generally to secure Internet commerce (*see* Abstract), and specifically to transacting an auction by means of a BBS or a chat room (see Fig. 23), does not remedy the aforementioned defects. Accordingly, this rejection should be withdrawn

IV. Rejection of Claims 10 and 42 Under 35 U.S.C. §103(a)

Claims 10 and 42 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Gellman (US 2002/0035536). Withdrawal of this rejection is respectfully requested for at least the following reasons. Gellman does not make up for the shortcomings of the proposed combination of Irribarren and Eso. In particular, Gellman, which relates to a value discovery mechanism for various classes of consumers does not overcome the deficiencies with respect to Irribarren and Eso. Accordingly, this rejection should be withdrawn.

V. Rejection of Claims 12 Under 35 U.S.C. §103(a)

Claim 12 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Lee, *et al.* (US 2002/0065762, hereinafter referred to as "Lee"). Withdrawal of this rejection is requested for at least the following reasons. Lee is insufficient to remedy the improper combination of Irribarren and Eso. Moreover, claim 12 recites, "*a buyer specifies the period of time in which bids must* ***be received***" whereas Lee teaches at the indicated portions that a buyer specifies the period of time in which the RFQ are to ***be posted***. Specifying a period of time in which bids must be received is materially distinct from specifying a period of time in which RFQs are to be posted (*e.g.*, a duration in which bids must be received is different from a duration in which those bids, once received, will be posted). Accordingly, applicant's representative respectfully requests this rejection be withdrawn.

VI. Rejection of Claims 14 Under 35 U.S.C. §103(a)

Claim 14 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Hao, *et al.* (US 2002/0065762, hereinafter referred to as "Hao"). This rejection should be withdrawn for at least the following reasons. Hao does not remedy the impermissible combination of Irribarren and Eso with respect to independent claim 8 from which claim 14 depends. Accordingly, this rejection should be withdrawn.

VII. Rejection of Claims 15 and 16 Under 35 U.S.C. §103(a)

Claims 15 and 16 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and further in view of Ginsberg (US 2003/0055774). Withdrawal of this rejection is respectfully requested for at least the following reasons. The improper combination of Irribarren and Eso is not overcome by Ginsberg, which relates to redistributing excess profits obtained from a sale of an item at artificially high prices. (*See* paragraphs 0006, 00041). Moreover, there is no motivation to combine Ginsberg with Irribarren or a combination of Irribarren and Eso, as Irribarren seeks to address unmet demand for auctions that fail whereas Ginsberg seeks to reallocate excess profits for transactions that have improperly succeeded – goals that are virtually direct opposites for each feature.

For example, Ginsberg is based upon public exchange trading where price points are set by the market (*e.g.*, supply vs. demand) whereas Irribarren is directed to auctions where both

buyers and sellers define their own price points. A system where participants individually decide price points (Irribarren) is not conducive to a model that unilaterally determines a fair price (*e.g.*, the market average) and redistributes some of the excess profits to certain market participants (Ginsberg). That is, a participant in Irribarren may be purposely bidding outside some hypothetical market average because a buy or sell transaction only has utility at the solicited price. Yet the combination of Ginsberg would destroy this feature of auctions even if the auction had the requisite liquidity to establish an average price as is the case with commodity exchanges.

In addition, there is no motivation to combine Ginsberg with Eso or a combination of Eso and Irribarren because, as described *supra*, Ginsberg relates to exchange trading of a single, discrete commodity, whereas Eso relates to auctions for heterogeneous products. These two types of trading are materially distinct in that one requires a fungible, well-defined product and price and the other requires arbitrary pricing for several distinct products. Accordingly, this rejection of claims 15 and 16 should be withdrawn.

VIII. Rejection of Claim 17 Under 35 U.S.C. §103(a)

Claim 17 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in view of Ginsberg, and further in view of PTO 892 reference W (hereinafter referred to as "892W"). Withdrawal of this rejection is respectfully requested for at least the following reasons. The improper combination of Irribarren, Eso, and Ginsberg is not surmounted by 892W, which relates to price match guarantees (PGMs). In addition, there is further no motivation to combine 892W with either Irribarren, Eso, or a combination of Irribarren and Eso since neither Irribarren nor Eso are directed to retail outlet stores (as is 892W), but rather directed to auctions. While retail outlet stores may have an incentive to reduce prices to obtain customer loyalty, there is no such impetus for typical auction participants. In accordance therewith, this rejection of claim 17 should be withdrawn.

IX. Rejection of Claims 18 and 19 Under 35 U.S.C. §103(a)

Claims 18 and 19 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in view of Ginsberg and in view of 892W, and in further view of PTO 892 reference U (hereinafter referred to as "892U"). Withdrawal of this rejection is requested for at least the following reasons. The improper combination of Irribarren, Eso,

Ginsberg, and 892U is not overcome by the introduction of 892W, which relates to a merger between two e-commerce software companies. In addition, there is further no motivation to combine 892U with at least Irribarren or Eso, or a combination of these references for substantially the reasons provided *supra*. Accordingly, this rejection of claims 18 and 19 should be withdrawn.

X. Rejection of Claim 20 Under 35 U.S.C. §103(a)

Claim 20 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in view of Ginsberg and in view of 892W, and in further view of PTO 892 reference V (hereinafter referred to as "892V"). It is requested that this rejection be withdrawn for at least the following reasons. The application of 892V does not remedy the shortcomings in connection with the combinations of Irribarren, Eso, Ginsberg, and 892W. Moreover, 892V is not permissibly combinable with any of Irribarren, Eso, or the combination of Irribarren and Eso substantially for the reasons detailed above. Accordingly, this rejection of claim 20 should be withdrawn.

XI. Rejection of Claims 38 and 39 Under 35 U.S.C. §103(a)

Claims 38 and 39 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Irribarren in view of Eso and in further view of Cao, *et al.* (US 2003/0195832, hereinafter referred to as "Cao"). Withdrawal of this rejection is requested for at least the following reasons. The improper combination of Irribarren and Eso is not overcome by Cao, which relates to examining historical bids to determine a probability of winning a current bid. Accordingly, this rejection of claims 38 and 39 should be withdrawn.

CONCLUSION

The present application is believed to be in condition for allowance in view of the above comments and amendments. A prompt action to such end is earnestly solicited.

In the event any fees are due in connection with this document, the Commissioner is authorized to charge those fees to Deposit Account No. 50-1063 [GEDP111USA].

Should the Examiner believe a telephone interview would be helpful to expedite favorable prosecution, the Examiner is invited to contact applicant's undersigned representative at the telephone number below.

Respectfully submitted,

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